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**U.S. Senate**  
**Republican Policy**  
**Committee**

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Don Nickles, Chairman  
Doug Badger, Staff Director



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**U.S. House**  
**Republican**  
**Conference**

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John Boehner, Chairman  
Barry Jackson, Executive Director

November 16, 1995

## **Balanced Budget Act Protects Veterans' Benefits**

Since early this year, the Secretary of Veterans Affairs has been waging a war against Republican efforts to balance the budget. Consequently, the VA Secretary has purposely misled veterans into thinking that Republican proposals could impose a means test on service-connected benefits, cut compensation for disabled veterans, and tax veterans' benefits. The Balanced Budget Act does none of these things. Veterans have already demonstrated their commitment to this country, and the Balanced Budget Act demonstrates our commitment to them.

- ***GOP Increases Veterans' Funding*** — Republicans are not cutting funding for veterans' programs. Veterans' funding increases from \$36.9 billion in FY 1996 to \$41.8 billion in FY 2002.
- ***Clinton Budget Requires Greater Veterans' Sacrifice*** — The President proposed \$17.1 billion in veterans' savings during the next 10 years — and his budget doesn't come into balance. Clinton's unbalanced budget means that mounting debt will diminish our nation's capacity to provide for veterans and other high priority programs in future years.

### **Balanced Budget Act Protects Veterans' Programs**

The Balanced Budget Act saves \$6.7 billion from veterans' programs over 7 years — about 2 percent of the more than \$275 billion that will be spent on veterans' programs during the next 7 years. The Balanced Budget Act:

- ***Modestly Increases Prescription Drug Copayments*** - Increases the copayment from \$2 to \$4 for prescription drugs for treatment of any non-service-connected disability or condition.
- ***Reforms DIC COLA*** - Provides all surviving spouses under Dependency and Indemnity Compensation (DIC) a full "revised formula" COLA. OBRA '93 had provided only one-half COLAs to DIC recipients under the "old" program.
- ***Lifts Prohibition on Home Loan Debt Collection*** - Allows the VA to collect home loan guaranty debts as it currently does for all debts arising under other VA programs.